REMARKS

Claims remaining in the present application are Claims 11-18 and 26-40. Claim 11-14 and 16-18 have been amended. Claims 1-10 and 19-25 have been cancelled, without prejudice. Claims 26-40 have been added. No new matter has been added as a result of these amendments.

CLAIM REJECTIONS

35 U.S.C. §102

CLAIM 1

Claims 1 and 6 are rejected under 35 U.S.C. §102(e) as being anticipated by Ciacelli et al. U.S. Patent No. 6,236,727 (hereinafter Ciacelli). The rejection is most in light of the claim cancellations, without prejudice.

CLAIMS 10-11

Claims 10-11 are rejected under 35 U.S.C. §102(b) as being anticipated by Iijima et al. U.S. Patent No. 5,202,922 (hereinafter Iijima). Claim 10 is cancelled, without prejudice. Therefore, the rejection to Claim 10 is moot. The rejection to Independent Claim 11 is respectfully traversed for the following reasons.

Currently Amended Independent Claim 11 recites, in part:

transferring said encrypted local key across a communication link from said host processor to a first integrated circuit and to a second integrated circuit;

encrypting said digital signal at said first integrated circuit using a decrypted version of said encrypted local key;

transferring said encrypted digital signal to said second logical circuit.

Claim 11 recites that the host processor encrypts the local key and

transfers the encrypted local key across a communication link from the host

processor to a first integrated circuit and to a second integrated circuit.

Applicants respectfully assert that Iijima fails to teach or suggest these

claim limitations.

Iijima may send an encrypted key from the host device to the IC card;

however, lijima does not transfer the encryption key to a second integrated

circuit. For example, Ijima does not transfer an encrypted key from the CPU

(20) to the encryption section (22), referring to Figure 2 of Ijima.

Therefore, Claim 11 overcomes the cited references under 35 U.S.C.

§102.

35 U.S.C. §103

Claims 2-4 and 7-9

Claims 2-4 and 7-9 are rejected under 35 U.S.C. §103(a) as being

unpatentable over Ciacelli in view of Dillon et al., U.S. Patent No. 5,652,795

(hereinafter, Dillon). The rejection is most in light of the claim cancellations,

without prejudice.

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<u>Claim 5</u>

Claim 5 is rejected under 35 U.S.C. §103(a) as being unpatentable over Dillon in view of Nally, U.S. Patent No. 5,808,629 (hereinafter, Nally). The rejection is most in light of the claim cancellations, without prejudice.

Claims 12-13 and 17-18

Claims 12-13 and 17-18 are rejected under 35 U.S.C. §103(a) as being unpatentable over Iijima in view of Searle, U.S. Patent No. 6,683,984 (hereinafter, Searle). The rejection is respectfully traversed for the following reasons.

Applicants respectfully assert that Iijima fails to teach or suggest the limitations discussing in the response to Claim 11. Searle fails to remedy the deficiency in Iijima in that Searle fails to teach or suggest those claim limitation. Therefore, the combination of Iijima and Searle fails to teach the limitations of Claim 11. As such, dependent Claims 12-13 and 17-18 are respectfully believed to be allowable by virtue of their dependency from Claim 11.

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Claim 14

Claim 14 is rejected under 35 U.S.C. §103(a) as being unpatentable over Iijima in view of Blatter. The rejection is respectfully traversed for the following reasons.

Applicants respectfully assert that Iijima fails to teach or suggest the limitations discussing in the response to Claim 11. Blatter fails to remedy the deficiency in Iijima in that Searle fails to teach or suggest those claim limitation. Therefore, the combination of Iijima and Blatter fails to teach the limitations of Claim 11. As such, dependent Claim 14 is respectfully believed to be allowable by virtue of their dependency from Claim 11.

Claim 15

Claim 15 is rejected under 35 U.S.C. §103(a) as being unpatentable over Iijima in view of Blatter, in further view of Eyer, U.S. Patent No. 5,485,577 (hereinafter Eyer). The rejection is respectfully traversed for the following reasons.

Applicants respectfully assert that Iijima fails to teach or suggest the limitations discussing in the response to Claim 11. Blatter and Eyer fail to remedy the deficiency in Iijima in that Blatter and Eyer fail to teach or suggest those claim limitation. Therefore, the combination of Iijima, Blatter and Eyer fails to teach the limitations of Claim 11. As such, dependent Claim

Serial No. 09/696,584 Examiner: Dada, Beemnet W. - 12 - 15 is respectfully believed to be allowable by virtue of their dependency from Claim 11.

Claim 16

Claim 16 is rejected under 35 U.S.C. §103(a) as being unpatentable over Ijjima in view of Eyer. The rejection is respectfully traversed for the following reasons.

Applicants respectfully assert that Iijima fails to teach or suggest the limitations discussing in the response to Claim 11. Eyer fail to remedy the deficiency in Iijima in that Eyer fails to teach or suggest this claimed limitation. Therefore, the combination of Iijima and Eyer fail to teach the limitations of Claim 11. As such, dependent Claim 16 is respectfully believed to be allowable by virtue of their dependency from Claim 11.

Claims 19-24

Claims 19-24 are rejected under 35 U.S.C. §103(a) as being unpatentable over Mangold in view of Iijima, and further in view of Nally. The rejection is respectfully traversed for the following reasons. Claims 19-24 have been cancelled, without prejudice. Therefore, the rejection to Claims 19-24 is moot.

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Claim 25

Claim 25 is rejected under 35 U.S.C. §103(a) as being unpatentable

over Mangold in view of Searle and Eyer. The rejection is moot in light of the

claim cancellation, without prejudice.

NEW CLAIMS

Claims 26-40 have been added. No new matter has been added.

Claim 26 recites, in part

a host processor coupled to said first and said second integrated circuits via a communication link and operable to encrypt said broadcast key and transfer said encrypted broadcast key to said first

integrated circuit via said communication link, wherein said host is further operable to encrypt said local key and to transfer said encrypted local key to said first and said second integrated circuits via

said communication link.

Applicants respectfully assert that the cited art fails to teach or

suggest these limitations. For example, Mangold discloses a device having a

CPU (115), a memory (108), and various decoding devices (102). Applicants

note that the PCX module (106) within memory (108) is not an integrated

circuit distinct from the CPU, such that the CPU could possibly be understood

to transfer encryption keys thereto. That is, Mangold's PCX module is clearly

a software module that is implemented by executing instructions stored in

the memory (108) on the CPU (115).

With respect to Ciacelli, referring to Figure 1, Ciacelli teaches a system having a CPU (11), memory (25), bus (26), and decoder (30). Ciacelli's primary module (10) and processing module (20) are clearly described as software modules that execute in the CPU (col. 1, lines 12-31). Thus, the software modules executing within the CPU are not integrated circuits coupled via a communication link to the CPU.

Claim 33 recites in part:

transferring first and second encrypted local keys from a host processor to respective first and second logical circuits;

transferring an encrypted broadcast key from said host processor to said first logical circuit.

Applicants respectfully assert that the above claim limitations are not taught nor suggest by the cited art, for at least reasons discussed herein.

Claims 27-32 and 34-40 depend from Claims 26 and 33, which are believed to be allowable over the cited art. Therefore, Claims 27-32 and 34-40 are respectfully believed to be allowable.

CONCLUSION

Based on the amendments and arguments presented above, it is respectfully submitted that Claims 11-18 and 26-40 overcome the rejections of record and, therefore, allowance of Claims 11-18 and 26-40 is respectfully solicited. Should the Examiner have a question regarding the instant amendment and response, the Applicants invite the Examiner to contact the Applicants' undersigned representative at the below listed telephone number.

Respectfully submitted,

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